

January 16, 2006

530/223/2585

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Winnemucca

70467

Ms. Mey Bunte
California Regional Water Quality Control Board
Central Valley Region
415 Knollcrest Drive, Suite 100
Redding, CA 96002

VESTRA



**Re: October 28, 2005 Meeting Summary
Former Simpson Ponds**

Dear Ms. Bunte:

VESTRA Resources, Inc. is submitting this letter to summarize a meeting on October 28, 2005. Present at the meeting were Murray Salisbury and John Andrews representing Winnemucca Trading Company, LLC, and Mey Bunte and Karen Clementsen representing the Regional Water Quality Control Board (RWQCB). The objective of the meeting was to discuss the closure of the ponds at the former Simpson Paper Company mill located in Anderson, California.

Cleanup and Abatement Order R5-2004-0717 requires Winnemucca to close the waste ponds located at the former Simpson Paper Company facility in accordance with Title 27, Section 21400. The ponds encompass approximately 30 acres and contain nearly 200,000 cubic yards of waste. Although the ponds no longer receive process water, they continue to receive storm water runoff from approximately 27 acres of the closed mill facility. Assuming the average depth of the water in the pond is three feet, they contain approximately 30 million gallons of storm water. Activities discussed at the meeting to implement closure of the ponds are summarized in this letter.

STORM WATER

The mill facility storm drain system consists of drainage inlets located throughout the facility that connect to underground piping. This collection system terminates in a sump where the storm water is then pumped into the ponds. The pond water evaporates during the summer months.

Storm water samples to characterize the quality of the water entering the ponds have not been collected for several years. In order to evaluate alternatives for routing this storm water away from the ponds, storm water samples will be collected and analyzed for a comprehensive suite of analyses during the winter 2005/2006. The analytical results will be used to identify and implement an alternative to handle the storm water. A Sampling and Analysis Plan outlining the procedures for collecting these samples will be submitted to the RWQCB by December 30, 2005.

The storm water results and an evaluation of storm water alternatives will be submitted to the RWQCB by May 2006.

POND WATER

In conjunction with the closure of the ponds, it is necessary to address removal of the residual water in the ponds. As previously mentioned the ponds cover approximately 30 acres and contain approximately 30 million gallons of water. Pond water was sampled in February 2005 and the results were reported to the RWQCB. As part of the comprehensive analyses of onsite storm water, the pond water will be sampled during the winter 2005/2006 in accordance with the procedures outlined in the Sampling and Analysis Plan. The analytical results will be used to identify and implement an alternative for dewatering the ponds. These results will be submitted to the RWQCB by May 2006.

GROUNDWATER

Groundwater monitoring wells surrounding the ponds are sampled annually during the month of February. During the February sampling episode, the groundwater analyses will be expanded to include a comprehensive suite of constituents. This expanded suite of analyses will be proposed in the Water Sampling and Analysis Plan. The results will be submitted to the RWQCB in the annual groundwater monitoring report.

The quarterly groundwater report will also include a survey of potentially sensitive receptors in the area including nearby domestic wells and the nearby ACID canal. In part, the survey will be conducted by field-identifying residents and addresses within a one-mile radius of the site.

WASTE

Winnemucca Trading Company conducted a preliminary characterization of the pond waste during 2005. Based on the meeting, this report will be updated to include the following information:

- Appropriate maps showing sample locations, sample depths, waste depths, and analytical results
- Inflow point and aerator locations in each pond
- Comparison of pond waste with boring logs from nearby monitoring wells
- Evaluation of the results relative to the above described physical features

The updated report will be submitted to the RWQCB by January 31, 2006.

The storm water and pond water analytical results will be used in conjunction with historical data provided by the RWQCB to develop a more comprehensive sampling program to characterize the waste in the ponds. The sampling and analytical procedures will be outlined in a Waste Sampling and Analysis Plan to be submitted to the RWQCB in May 2006, following the completion of the storm water and pond water investigations. The waste samples will be collected during the summer 2006.

Based on the pond water, groundwater, and waste results, a Feasibility Study for closure will be submitted to the RWQCB by October 2006. The Feasibility Study will evaluate closure alternatives and will recommend a closure alternative for the ponds. Following RWQCB approval of the Feasibility Study, a formal closure plan will be submitted.

Ms. Mey Bunte
January 3, 2006
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Please call me at (530) 223-2585 or Mike Sommers at (800) 832-8834 if you have any questions.

Sincerely,

VESTRA Resources, Inc.
Environmental Services Division

Murray O. Salisbury III
Project Manager

cc: Mr. Mike Sommers/Winnemucca Trading Company Inc.
Mr. Jack Reese/Reese, Smalley, Wiseman & Schweitzer